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**GOLDRAY MINES  
LIMITED**

*Annual Report*



***For the Year Ended April 30, 1971***

# GOLDRAY MINES LIMITED

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## *Directors' Report*

### TO THE SHAREHOLDERS:

Enclosed herewith you will find Notice of Annual Meeting which is to be held in the Manitoba Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario on September 16th, 1971 at 10:30 a.m. The Financial Statements for the year ended April 30, 1971 are enclosed with an Information Circular and a form of Instrument of Proxy.

### COLUMBIUM DEPOSIT AND EXPLORATION — JAMES BAY LOWLANDS

During the past year, intermittent discussions have been carried out with various columbium customers to investigate the market potential. From these talks it is indicated that the future for columbium consumption is becoming much brighter.

One situation that augurs well for the columbium market is a development by the Armco Steel Corporation of Youngstown, Ohio in the form of interstitial free (IF) steel. If this breakthrough is proven the demand for columbium would increase many times over present consumption with usage in such components as auto bodies, certain engine parts, components in appliances, machinery, and other large volume domestic and commercial equipment.

A limited amount of base metal exploration was carried out in the Kesagami Lake area during the past season. Results were inconclusive and the permit has been allowed to lapse.

### NORTHERN SASKATCHEWAN AND MANITOBA

#### *Project Sam*

A program of detailed geophysics and geological ground work has been completed. Results indicate that several anomalies should be drilled and this program is presently being arranged.

#### *Project Virgin River*

No further work is planned on this project at the present.

#### STURGEON LAKE AREA — ONTARIO

Goldray, in association with Trinity Chibougamau, Mid-Patapedia Mines Limited and Canadian Malartic Gold Mines Limited, undertook extensive exploration work in this area during 1970. Work included airborne and ground geophysics and diamond drilling on twelve selected conductors and involved an expenditure of \$180,000.00. The majority of the conductors have not yet been tested and a number of areas are considered favourable for detailed ground investigation and drilling. These include areas underlain by acid volcanic rocks, the host for known deposits in the region.

The four participants have entered into an agreement for a major exploration program with Denison Mines Limited. Denison can earn a 60% interest in the properties through an expenditure of \$250,000.00 on exploration and development work. In 1971 Denison is undertaking to spend \$50,000.00 and can elect to continue programs in 1972 and succeeding years to earn the 60% interest. Denison is manager of the new program and work has commenced consisting of mapping, prospecting and ground geophysics. Diamond drilling will follow where warranted.

#### WISENER LAKE — KENORA AREA, ONTARIO

Your company in association with Canadian Malartic has completed a drill program on the 10 claims which comprise this property. Results are sufficiently encouraging to warrant further geophysics and deeper diamond drilling. Efforts to interest a major company to undertake this work will continue.

#### EASTMAIN RIVER AREA — QUEBEC

The claims held by your company, Roman Corporation and Canadian Nisto Mines in this area have been allowed to lapse.

Your company is financed so that it can continue its policy to examine and undertake ventures of merit on its own and in association with other companies.

On behalf of the Board of Directors,

MURRAY AXMITH,  
President.

August 26, 1971.

# GOLDRAY M

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## Balance Sheet as

(With comparative figu

### ASSETS

	1971	1970
<b>CURRENT ASSETS</b>		
Cash .....	\$ 2,241	\$ 14,457
Deposit receipts and short term notes .....	—	308,478
Government bonds at cost (market value \$229,600) .....	233,151	—
Sundry receivables .....	5,238	5,369
Bonds lodged with provinces (face value 1971 — \$87,000; 1970 — \$127,000) .....	84,621	124,561
	<u>325,251</u>	<u>452,865</u>
<b>INVESTMENT IN OTHER COMPANIES</b>		
Listed shares at cost (market value 1971 — \$127,000; 1970 — \$122,310) .....	122,653	125,315
Unlisted shares (nominal value) .....	1	1
Investment in shares of other mining companies (nominal value) ...	40	727
Investment in shares of Interprovincial Helicopter Limited (at cost) .....	20,000	20,000
	<u>142,694</u>	<u>146,043</u>
<b>HEAD OFFICE FURNITURE AND FIXTURES (at cost) .....</b>	<u>1,643</u>	<u>1,643</u>
<b>MINING PROPERTIES</b>		
Acquired for \$20,001 cash (1970 — \$41,433) and 626,623 shares of capital stock .....	478,525	499,957
	<u>478,525</u>	<u>499,957</u>
<b>EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES (per attached statement) .....</b>	<u>916,154</u>	<u>851,833</u>
<b>INCORPORATION AND ORGANIZATION (at cost) .....</b>	<u>3,785</u>	<u>3,785</u>
	<u>\$1,868,052</u>	<u>\$1,956,126</u>

To be read in conjunction with the Auditors' Report to

### AUDITORS' REPORT T

We have examined the balance sheet of Goldray Mines Limited as at April 30, 1971, and the statement of head office and administrative expenses and source and application of funds for the year then ended, and we have performed such procedures and such tests of accounting records and other supporting evidence as we

In our opinion, these financial statements present fairly the financial position of Goldray Mines Limited as at April 30, 1971, and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles. We are not expressing an opinion on the valuation of the shares of Goldray Mines Limited.

Toronto, Ontario,  
August 4, 1971.

# IES LIMITED

(Incorporated in the Province of Ontario)

*April 30, 1971*

(as at April 30, 1970)

## LIABILITIES AND SHAREHOLDERS' EQUITY

	1971	1970
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,366	\$ 31,427
Employees' deductions payable	86	—
Due to shareholders re 1942 distribution on realization of capital assets	10,120	10,120
	<u>20,572</u>	<u>41,547</u>
SHAREHOLDERS' EQUITY		
CAPITAL		
AUTHORIZED		
5,000,000 shares of \$1 par value each		
ISSUED AND FULLY PAID		
3,009,931 shares	3,009,931	3,009,931
Less: Discount	901,204	901,204
	<u>2,108,727</u>	<u>2,108,727</u>
DEFICIT ACCOUNT (per attached statement)	(261,247)	(194,148)
	<u>1,847,480</u>	<u>1,914,579</u>
CONTINGENT LIABILITY		
The company owns a 25% interest in Interprovincial Helicopters Limited and has given a guarantee to the bankers of that company with respect to 25% of \$120,000 line of credit extended to that company by its bankers.		

Approved on behalf of the Board of Directors:

M. AXMITH, Director.

W. R. PACKMAN, Director.

\$1,868,052      \$1,956,126

Shareholders attached hereto dated August 4, 1971.

## THE SHAREHOLDERS

1971 and the statements of deficit account, exploration and development, including year then ended. Our examination included a general review of the accounting considered necessary in the circumstances.

the company as at April 30, 1971, the results of its operations and the source and accounting principles applied on a basis consistent with that of the preceding year.

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL,  
Chartered Accountants.

# GOLDRAY MINES LIMITED

## STATEMENT OF DEFICIT ACCOUNT

For the Year Ended April 30, 1971

(With comparative figures for the year ended April 30, 1970)

	1971	1970
DEFICIT — May 1 .....	\$ 194,148	\$ 141,818
ADD: Mining properties abandoned — written off .....	24,247	6,123
Interest in Prospecting Syndicate — written off .....	—	794
Exploration and development expenses written off or applicable to properties abandoned .....	42,644	44,521
Investment in shares of other mining companies written down to nominal value .....	—	3,273
Loss on sale of investments .....	208	(2,381)
DEFICIT — April 30 .....	<u>\$ 261,247</u>	<u>\$ 194,148</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Year Ended April 30, 1971

(With comparative figures for the year ended April 30, 1970)

	1971	1970
SOURCE OF FUNDS		
Sale of listed shares .....	\$ 2,552	\$ 9,120
Sale of investment in shares of other mining companies .....	687	789
	<u>3,239</u>	<u>9,909</u>
APPLICATION OF FUNDS		
Acquisition of mining properties .....	2,815	9,033
Purchase of listed shares .....	—	8,984
Exploration and development, including head office and administrative expenses .....	106,965	97,435
Loss on sale or redemption of bonds .....	98	—
	<u>109,878</u>	<u>115,452</u>
DECREASE IN WORKING CAPITAL .....	(106,639)	(105,543)
WORKING CAPITAL, May 1 .....	<u>411,318</u>	<u>516,861</u>
WORKING CAPITAL, April 30 .....	<u>\$ 304,679</u>	<u>\$ 411,318</u>

# GOLDRAY MINES LIMITED

## STATEMENT OF EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES

For the Year Ended April 30, 1971

(With comparative figures for the year ended April 30, 1970)

EXPLORATION AND DEVELOPMENT	1971	1970
PROVINCE OF ONTARIO		
Sturgeon Lake Syndicate — airborne survey and diamond drilling	\$ 19,475	\$ 17,411
Wisener Lake Area — diamond drilling and electromagnetic survey	9,318	—
James Bay Lowlands Project expenditures	3,797	25,678
Taxes and licences	1,236	810
Wages	300	300
Blind River Area	248	13,888
Insurance	200	200
Engineering and consulting fees	—	400
PROJECT SASKATCHEWAN — MANITOBA		
Diamond drilling and general exploration	38,561	7,204
VIRGIN RIVER PROJECT		
Airborne electromagnetic and radiometric survey	24,155	25,898
PROJECT PINEHOUSE		
Diamond drilling	7,644	14,452
EASTMAIN PROJECT		
Cartographic survey and field expenses	5,872	4,112
OUTSIDE GENERAL EXPLORATIONS	—	538
	<u>110,806</u>	<u>110,891</u>
LESS: Rentals received	1,062	288
	<u>109,744</u>	<u>110,603</u>
HEAD OFFICE AND ADMINISTRATIVE		
Administrative salary — director	8,000	8,000
Legal and audit	3,684	4,242
Office salaries	3,242	3,279
Office rent	2,140	2,100
Transfer agent's fees and expenses	1,925	1,801
Office supplies and expenses	1,919	1,450
Printing and shareholders' information	1,548	2,001
Taxes and filing fees	1,164	1,109
Travelling expenses	921	1,062
Telephone and telegraph	917	1,036
Directors' fees	800	1,150
Canada pension plan and unemployment insurance expense	106	124
Interest and bank charges	21	33
	<u>26,387</u>	<u>27,387</u>
LESS: Interest income	23,135	35,275
Dividend income	5,527	5,280
Miscellaneous income	504	—
	<u>29,166</u>	<u>40,555</u>
	<u>(2,779)</u>	<u>(13,168)</u>
TOTAL EXPENSES FOR YEAR	106,965	97,435
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES, May 1	851,833	798,919
	958,798	896,354
EXPLORATION AND DEVELOPMENT EXPENSES WRITTEN OFF TO DEFICIT	(42,644)	(44,521)
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES, April 30	<u>\$ 916,154</u>	<u>\$ 851,833</u>

# GOLDRAY MINES LIMITED

## CAPITALIZATION

	Authorized	Issued
Common Shares .....	5,000,000	3,009,931

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## OFFICERS AND DIRECTORS

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### DIRECTORS

K. B. ANDRAS .....	Toronto, Ontario
MURRAY AXMITH .....	Toronto, Ontario
W. NOEL O'BRIEN .....	Toronto, Ontario
WALTER R. PACKMAN .....	Port Credit, Ontario
B. E. WILLOUGHBY .....	Toronto, Ontario

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### OFFICERS

MURRAY AXMITH .....	President
K. B. ANDRAS .....	Vice-President
WALTER R. PACKMAN .....	Secretary-Treasurer

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### TRANSFER AGENTS

Guaranty Trust Company of Canada

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### EXECUTIVE OFFICES

Suite 202, 220 Bay St., Toronto

**INTERIM UNAUDITED STATEMENT OF  
SOURCE AND APPLICATION OF FUNDS**

**For the Six Month Period Ended October 31, 1971**  
(With comparative figures for the six month period  
ended October 31, 1970)

	1971	1970
<b>Source of Funds</b>		
Gain on sale of bonds . .	\$ 1,316	—
Sale of investment in shares of other mining companies . . . . .	—	\$ 687
	<u>1,316</u>	<u>687</u>
<b>Application of Funds</b>		
Purchase of listed shares	28,331	—
Acquisition of mining claims and properties	403	\$ 928
Exploration and develop- ment including head office and administra- tion expenses . . . . .	8,752	70,506
Loss on sale of bond . .	—	37
	<u>37,486</u>	<u>71,471</u>
<b>Decrease in Working Capital . . . . .</b>	(36,170)	(70,784)
<b>Working Capital — May 1</b>	<u>304,679</u>	<u>411,318</u>
<b>Working Capital — October 31 . . . . .</b>	<u>\$ 268,509</u>	<u>\$ 340,534</u>

**GOLDRAY MINES  
LIMITED**

Suite 202 - 220 Bay Street  
Toronto, Ontario

*Six Month Report*

**FOR THE SIX MONTH PERIOD ENDED  
OCTOBER 31, 1971**

# GOLDRAY MINES LIMITED

## REPORT TO THE SHAREHOLDERS For the Six Month Period Ended October 31, 1971

### TO THE SHAREHOLDERS:

We present herewith the unaudited Statement of Exploration and Development including Head Office Expenses and the Source and Application of Funds for the six month period ended October 31, 1971 with comparative figures for the same period of 1970.

### Columbium Deposit — James Bay Lowlands

No further exploration work has been done in this area. The market potential for Columbium is being reviewed from time to time to determine whether a decision can be made to bring the deposit in the James Bay Lowlands into production.

### Northern Saskatchewan and Manitoba

#### Project Sam

As a result of detailed geophysics and geological ground work a drilling program has been recommended to test several anomalies for base metals. It is expected that this work will commence immediately after freeze up.

### Sturgeon Lake Area — Ontario

Denison Mines Limited has advised that it has spent in excess of their commitment of \$50,000.00 for the period ending December 31, 1971 as required in their agreement with Goldray, Trinity Chibougamau Mines, Mid-Patapedia Mines and Canadian Malartic Gold Mines. The work consisted of mapping, prospecting, trenching and ground geophysics.

As a result of this work a number of potential base metal anomalies with favourable host rocks have been indicated. Sulphides have been located in a number of areas and a diamond drill program is being proposed to test the various conductors commencing early in the New Year.

Your Company is currently in negotiation for a participation in a mining exploration program in Australia.

On behalf of the Board of Directors.

Toronto, Ontario.  
December 3, 1971.

M. AXMITH,  
President.

## INTERIM UNAUDITED STATEMENT OF EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATION EXPENSES

For the Six Month Period Ended October 31, 1971  
(With comparative figures for the six month period  
ended October 31, 1970)

	1971	1970
<b>Exploration and Development</b>		
Project Saskatchewan —		
Manitoba .....	\$ 1,706	\$ 20,751
Taxes and licenses .....	1,049	1,105
James Bay Lowlands		
Project .....	884	—
Wages .....	150	—
Insurance .....	100	100
Virgin River Project .....	—	16,603
Wisener Lake Project .....	—	8,840
Pinehouse Project .....	—	7,528
Sturgeon Lake Syndicate		
Project .....	—	19,356
	<u>3,889</u>	<u>74,283</u>
Less: Rentals received ..	600	500
	<u>3,289</u>	<u>73,783</u>
<b>Head Office</b>		
<b>Administration</b>		
Administrative salary —		
director .....	4,000	4,000
Office salaries .....	2,275	1,513
Legal and audit .....	1,620	1,484
Printing and shareholders' information .....	1,607	1,173
Office supplies and expenses .....	1,204	419
Office rent .....	1,170	1,050
Travelling expenses .....	1,119	—
Taxes and filing fees .....	875	1,020
Transfer agent's fees and expenses .....	719	1,140
Telephone .....	498	395
Directors' fees .....	450	600
Canada pension and unemployment insurance expense .....	86	—
	<u>15,623</u>	<u>12,794</u>
Less: Interest income ...	7,474	13,387
Dividend income ..	2,686	2,684
	<u>10,160</u>	<u>16,071</u>
<b>Total Head Office and Administration Expenses ..</b>	<u>5,463</u>	<u>(3,277)</u>
<b>Total Exploration, Development and Administration Expenses .....</b>	<u>\$ 8,752</u>	<u>\$ 70,506</u>

**INTERIM UNAUDITED STATEMENT OF  
SOURCE AND APPLICATION OF FUNDS**

**For the Six Months Ended October 31, 1973**  
(With comparative figures for 1972)

	<u>1973</u>	<u>1972</u>
<b>Source of Funds</b>		
Sale of listed shares . . .	\$ 10,725	\$ 11,355
Ontario Hydro refund of development expenses	<u>14,414</u>	<u>—</u>
	<u>25,139</u>	<u>11,355</u>
<b>Application of Funds</b>		
Purchase of listed shares	6,238	33,139
Acquisition of mining claims and properties	—	1,250
Exploration and develop- ment including head office and administra- tion expenses . . . . .	<u>17,249</u>	<u>9,910</u>
Loss on sale of bonds . .	<u>—</u>	<u>89</u>
	<u>23,487</u>	<u>44,388</u>
<b>Increase (Decrease) in Working Capital . . . . .</b>	<b>1,652</b>	<b>(33,033)</b>
<b>Working Capital — May 1</b>	<u><b>253,120</b></u>	<u><b>301,808</b></u>
<b>Working Capital — October 31 . . . . .</b>	<u><u><b>\$ 254,772</b></u></u>	<u><u><b>\$ 268,775</b></u></u>

**GOLDRAY MINES  
LIMITED**

Suite 202 - 220 Bay Street  
Toronto, Ontario

*Six Month Report*  
**FOR THE SIX MONTH PERIOD ENDED  
OCTOBER 31, 1973**

# GOLDRAY MINES LIMITED

## REPORT TO THE SHAREHOLDERS

For the Six Month Period Ended  
October 31, 1973

### TO THE SHAREHOLDERS:

We present herewith the unaudited Statement of Exploration and Development including the Head Office Expenses and Source and Application of Funds for the six month period ended October 31, 1973, with comparative figures for the same period of 1972.

#### Manitoba and Saskatchewan — Flin Flon Project

An airborne geophysical survey was completed over the exploration permits totalling 226,000 acres held by Goldray, Consolidated Morrison and Nor Acme Gold Mines. All data have now been processed and results indicate that there are a considerable number of targets which will warrant drilling. Negotiations are underway with a major mining company for an exploration program on a farmout basis. Your company holds a 22½% interest in the project.

#### Northwestern Ontario

A limited amount of ground work has been done in this area as a result of an airborne geophysical survey. It is expected that ground will be acquired when all data have been processed. Your company has a 25% participation in this project.

#### Red Lake Area — Ontario

A reassessment of all available data has been completed on the company's original property in Red Lake. Results indicate that there are areas which may warrant further investigation. It is proposed, for the time being, to await results of work being done on neighbouring properties.

#### Columbium Deposit — James Bay Lowlands

No production decision has been made re this deposit, however, it is being kept in good standing and its feasibility regularly updated.

#### Wisener Lake — Kenora Area, Ontario

Further work appears warranted on this property and efforts are being made to obtain an exploration program on a farmout basis. This property is held jointly by Goldray and Canadian Malartic Gold Mines.

On behalf of the Board of Directors.

M. AXMITH,  
President.

Toronto, Ontario.  
November 23, 1973.

## INTERIM UNAUDITED STATEMENT OF EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATION EXPENSES

For the Six Months Ended October 31, 1973  
(With comparative figures for 1972)

	1973	1972
<b>Exploration and Development</b>		
Cobalt Area — Ontario . . .	\$ 754	\$ 4,371
Sturgeon Lake Syndicate . . .	323	—
James Bay Lowlands Project	806	32
Manitoba and Saskatchewan permits . . . . .	6,653	—
North Shore Project . . . . .	3,922	—
Taxes and licences . . . . .	1,343	1,614
Insurance . . . . .	160	160
Engineering . . . . .	1,593	—
General expenses . . . . .	600	—
	<u>16,154</u>	<u>6,177</u>
<b>Less: Rentals received . . . . .</b>	550	150
Ontario Exploration Assistance — Cobalt area . . . . .	3,282	—
	<u>3,832</u>	<u>150</u>
	<u>\$ 12,322</u>	<u>\$ 6,027</u>
<b>Head Office Administration</b>		
Administrative salary — director . . . . .	4,000	4,000
Office salaries . . . . .	2,860	2,770
Printing and shareholders' information . . . . .	1,537	1,389
Office supplies and expenses	1,439	1,505
Office rent . . . . .	1,170	1,170
Legal and audit . . . . .	781	500
Taxes and filing fees . . . . .	651	904
Directors' fees . . . . .	650	700
Telephone . . . . .	364	422
Transfer agent's fees . . . . .	185	577
Canada pension and unemployment insurance expense . . . . .	165	150
	<u>13,802</u>	<u>14,087</u>
<b>Less: Interest income . . . . .</b>	6,327	7,798
Dividend income . . . . .	2,548	2,406
	<u>8,875</u>	<u>10,204</u>
<b>Total Head Office and Administrative Expenses . . .</b>	<u>4,927</u>	<u>3,883</u>
<b>Total Exploration, Development and Administration . . . . .</b>	<u>\$ 17,249</u>	<u>\$ 9,910</u>